

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

NOTICE OF FILING

DOCKET NO. 2015-46-WS

Application of Kiawah Island Utility, Inc. for Approval to Enter Into a Loan Agreement (Make Loan and Receive Promissory Note and Mortgage)

Kiawah Island Utility, Inc. (KIU or the Applicant) has filed an Application with the Public Service Commission of South Carolina (Commission) for Approval to Make Loan and Receive Promissory Note and Mortgage. The Application was filed pursuant to 10 S.C. Code Ann. Regs. 103-743 and 103-541 and the Commission's Rules of Practice and Procedure. According to KIU, the proposed transaction is with Kiawah Home Development, LLC (KHD), and the purpose of the loan is to provide KHD with a line of credit up to Three Million Dollars (\$3,000,000) from which KHD may draw funds for the purpose of acquiring real property on Kiawah and Seabrook Islands and constructing single-family residences upon that real property.

According to KIU, KHD will sign a promissory note to KIU evidencing the terms of repayment, including an interest rate of three percent (3%) per annum, and the term of the note is three years. Thus, according to KIU, the Applicant and hence its customers, will benefit from the proposed loan from KIU to KHD, in part, for the following reason: Although the sole shareholder (KIU Holdings, LLC) in KIU could require that some portion of the funds in KIU be distributed to the sole shareholder, the proposed note and mortgage will instead leave the funds and the promissory note as assets of KIU and include a return on the money drawn on the construction line of credit at rates substantially higher than KIU currently earns by holding these funds in its bank account.

A copy of the company's Application can be found on the Commission's website at www.psc.sc.gov under Docket No. 2015-46-WS. Additionally, a copy of the application is available from the office of G. Trenholm Walker, Esquire and Thomas P. Gressette, Jr., Esquire, Pratt-Thomas Walker, P.A., P. O. Drawer 22247, Charleston, South Carolina 29413-2247.

A public hearing, if scheduled, will be held in Columbia, South Carolina in the offices of the Commission located at 101 Executive Center Drive, Columbia, South Carolina 29210, for the purpose of receiving testimony and other evidence from all interested parties regarding this Application. The time and date of this hearing will be furnished to all interested parties at a later date.

Any person who wishes to participate in this matter as a party of record, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **March 16, 2015**. For the receipt of future Commission correspondence, please include an email address in the Petition to Intervene. ***Please refer to Docket No. 2015-46-WS and mail a copy to all other parties in this docket.*** Any person who wishes to testify and present evidence at the hearing, if scheduled, should notify, in writing, the Commission; the Office of Regulatory Staff at 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and the company at the above address, on or before **March 16, 2015**. ***Please refer to Docket No. 2015-46-WS.***

For the most recent information regarding this docket, including changes in scheduled dates included in this Notice, please refer to www.psc.sc.gov and ***Docket No. 2015-46-WS.***

Persons seeking information about the Commission's procedures should contact the Commission at (803) 896-5100 or visit its website at www.psc.sc.gov.

2/12/15